

## Appeal procedures for denied or modified Prior Authorization (PA) Requests

**P**roviders must *fully document* the reasons for which the service(s) are requested.

Some Medicaid services require approval, known as prior authorization (PA), by Wisconsin Medicaid *before* the provider performs the service. This explains the options providers and recipients have to further pursue a PA Request that was denied or modified by Wisconsin Medicaid. This applies to fee-for-service Medicaid providers only. If you are a Medicaid managed care provider, contact your managed care organization (MCO) for information about their procedures.

Wisconsin Medicaid denies or partially denies (modifies) approximately 4 percent of the approximately 228,000 PA Requests that providers submit each year.<sup>1</sup> PA Requests are sometimes modified or denied. In addition, some PA Requests are returned to providers before a decision can be made because the provider did not include the appropriate documentation with a PA Request. This *Update* explains the options providers and recipients have to further pursue a PA Request that was denied or modified by Wisconsin Medicaid.

PA adjudication is based on the information submitted with the PA Request. Providers must *fully document* the reasons for which the service(s) are requested. A PA Request may be returned to a provider before a decision can be made because the provider fails to include

the appropriate documentation with the PA Request.

### Providers and recipients are notified

Both the provider and the recipient are notified if a PA Request is denied or modified by Wisconsin Medicaid. A provider receives the denied or modified PA Request form from the Medicaid fiscal agent, EDS. A recipient receives a letter explaining that the PA Request was denied or modified and information on his/her right to a fair hearing.

### Provider options for reconsideration of prior authorization decisions

Although providers cannot appeal, if a provider disagrees with Wisconsin Medicaid's decision to modify or deny a PA Request, he/she has the option to proceed as follows:

- If a PA Request has been *modified*, the provider may submit an amendment request with additional documentation that supports the original PA Request.<sup>2</sup> The amendment request should be received within two weeks of the date the original PA Request is signed by the consultant. If the amendment request is approved, Wisconsin Medicaid will notify the provider of the effective date.
- If a PA Request has been *denied*, the provider may submit a new PA Request

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with additional clarifying information for reconsideration. If the new PA Request is approved, Wisconsin Medicaid will notify the provider of the effective date. If the new PA Request is denied or modified and the recipient elects to appeal the denial, the provider may assist the recipient in his/her appeal efforts.

Providers are strongly encouraged to keep the recipient informed throughout the entire PA process.

### **Provider may contact a Medicaid professional consultant for further clarification**

If you have specific questions concerning the denied or modified PA Request, you may contact a Medicaid professional consultant for further clarification. Write to the fiscal agent Prior Authorization Unit at:

Prior Authorization Unit  
EDS  
6406 Bridge Road, Suite 88  
Madison, WI 53784-0088

Or call the fiscal agent's Correspondence Unit for Policy and Billing Information at (800) 947-9627 or (608) 221-9883 for clarification.

### **Recipient's right to appeal a denied or modified PA Request**

The recipient has the option to appeal Wisconsin Medicaid's decision to deny or modify a PA Request according to HFS 104.01(5), Wisconsin Administrative Code. The recipient receives a letter explaining that the PA Request was denied or modified as well as information on how to appeal the decision through a request for a fair hearing. A recipient must request an appeal (a fair hearing) by the appeal date indicated on the letter.

A request for a fair hearing must be made to the local county or tribal social/human services agency in the recipient's county of residence *or* to the Division of Hearings and Appeals. Hearings are held in the recipient's county of residence. Refer to Appendix 8 of Part A, the all-provider handbook, for county social service departments' addresses and telephone numbers.

### **Division of Hearings and Appeals issues hearings decisions**

Following the hearing, the Division of Hearings and Appeals issues a hearing decision to the recipient, the fiscal agent, and Wisconsin Medicaid. The hearing officer directs the parties involved to take specific action such as:

- The denial or modification is overturned, and the provider is directed to submit a new PA request form with attachments and a copy of the Division of Hearings and Appeals decision.
- The fiscal agent is directed to amend the modified PA Request.
- The denial or modification decision is upheld, and the recipient receives information on his/her rights to further action.

### **Informing the recipient of the potential financial responsibility**

The party responsible for paying for the requested service or item is determined by the hearing decision. If the recipient chooses to receive the service before the appeal is heard, liability for cost of the service depends on the outcome of the appeal.

The provider *must not* bill the recipient for the service if:

- The recipient was not informed that he/she may be responsible for paying for the service.

**P**roviders are strongly encouraged to keep the recipient informed throughout the entire PA process.

When billing Wisconsin Medicaid for prior authorized services sent through the appeals process, the billing process remains the same.

- The provider does not inform a recipient that a procedure or service requires PA and performs the service before submitting a PA Request or receiving an approval, and then the provider submits a claim for services rendered which is rejected.
- The hearing decision determines that Wisconsin Medicaid will cover the service.

#### After a hearing decision is issued

The outcome of the hearing determines which party is liable for the cost of the service. The liability is based on the following outcomes:

1. If a PA denial/modification decision is *overturned*, the provider will be instructed to submit a new PA Request with a copy of the decision stating that Wisconsin Medicaid will cover the service. If the recipient has already paid for the service, the provider must refund the payment to the recipient. Wisconsin Medicaid cannot reimburse the recipient directly.
2. If the PA denial/modification decision is *upheld*, the recipient is responsible for the cost of the service, but only if the provider informed the recipient of potential liability *prior* to the recipient receiving the service.

#### Billing for prior authorized services sent through the appeals process

When billing Wisconsin Medicaid for prior authorized services sent through the appeals process, the billing process remains the same. An approved authorization does not guarantee payment. Reimbursement for any Medicaid service is contingent upon eligibility of the recipient and provider at the time the service is provided and the completeness of the claim information. Payment will not be made for services initiated prior to approval or after the authorization expiration date. Reimbursement will be in accordance with Wisconsin Medicaid payment methodology and policy. If the recipient is enrolled in a Medicaid HMO at the time a prior authorized service is provided, Medicaid fee-for-service reimbursement will be allowed only if the service is not covered by the Medicaid HMO.✦

<sup>1</sup> Based on 1997 statistics.

<sup>2</sup> Home health, nurses in independent practice, and personal care providers are required to submit an amendment form.

## Reminder for Milwaukee Medicaid providers

Milwaukee-area Medicaid providers have been invited to attend the new Medicaid ID card training session and vendor fair based on the billing provider's last name or the organization's name. Registration is not required.

The sessions will be held at the Best Western-Midway Airport, 5105 S. Howell Avenue, Milwaukee, WI 53207, (414) 769-2100 from:

9:00 a.m. – 10:00 a.m.  
10:30 a.m. – 11:30 a.m.  
1:00 p.m. – 2:00 p.m.  
2:30 p.m. – 3:30 p.m.

#### Questions?

If you have questions about the vendor fair/training sessions, call the EDS Training Coordinator at (608) 221-4746, ext. 3043. ✦

Date / Sessions	Last/Org. Name
Jan. 19, 1999 any a.m. session:	A-C
Jan. 19, 1999 any p.m. session:	D-H
Jan. 20, 1999 any a.m. session:	I-L
Jan. 20, 1999 any p.m. session:	M-O
Jan. 21, 1999 any a.m. session:	P-S
Jan. 21, 1999 any p.m. session:	T-Z

# Wisconsin Medicaid Professional Relations Representatives map

The Medicaid fiscal agent's professional relations department is available to assist providers in resolving complex billing problems and to assist in provider training activities.

Contact your professional relations representative through her answering service. See the map below for the professional relations representative in your area. ✦

**David Miess**, Director  
(608) 221-4746

**Denise Kruswicki**  
Northwest Wisconsin  
(715) 392-3143

**Joan Buntin**  
North Central Wisconsin  
(715) 848-7566

**Karen Gordon**  
Northeast Wisconsin  
(920) 336-0527

The Wisconsin Medicaid Update is the first source for provider information including Medicaid policy and billing information.

Wisconsin Medicaid is administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For provider questions, call the Medicaid fiscal agent, EDS, at (800) 947-9627 or (608) 221-9883.

**Cindy Drury**  
Southwest Wisconsin  
(608) 283-6344

**Teresa Miller**  
Milwaukee Family Project  
(414) 227-4256

**Jude Benish**  
South Central Wisconsin  
(608) 255-8521

**Vicky Murphy**  
Southeast Wisconsin  
(414) 963-8966

**Tami Radwill**  
Milwaukee County  
(414) 273-1773

